

**FY 2002 BUDGET AND PERFORMANCE REQUIREMENTS
MEDICARE INTEGRITY PROGRAM
Addendum 1
October 4, 2001**

Medicare Secondary Payer (Intermediary)

THESE REQUIREMENTS STAND ALONE AND SUPERSEDE PRIOR YEARS BPRS

In past years, the BPRs provided the sole basis for contractor work priorities. The BPRs for FY 2002 will detail areas of focus in addition to ongoing MSP activities.

These BPRs presume funding for ongoing activities. In general, these MSP activities are described in the Medicare Intermediary Manual (MIM) sections 3400's, 3600's and 3899 as well as the specific Program Memorandums identified below.

PM's: AB-00-11 (CR#899), AB-01-24 (CR#1280), AB-00-27 (CR#1142), AB-00-107 (CR #1163), AB-01-25 (CR # 1558), AB-00-129 (CR #1460), CR#1244, AB-01-83 (CR#1538)

Note: *All memoranda referenced in FY 2001 BPRs will be incorporated in the manuals by October 1, 2001.*

MSP PRE-PAY ACTIVITIES - (ACTIVITY CODES 22001, 22005, and 22006)

The following MSP pre-pay activities are listed in order of focus priority. Formal requirements and instructions are found for each activity in CR 1163, Transmittal AB-00-107, dated November 9, 2000, CR 1460, Transmittal AB-00-129, dated December 19, 2000, CR 1558, Transmittal AB-01-25, dated February 7, 2001, and MIM 3693 as outlined below.

1. Adding/Updating CMS records timely and electronic requests and referrals for COB contractor update of CMS records.
2. Electronic requests and referrals to the COB contractor for MSP and Claims issues.
3. Electronic requests and referrals to the COB contractor for liability, no-fault, and workers' compensation cases.
4. MSP hospital audits and reviews.
5. Electronic requests and referrals to the COB contractor for MSP record deletions (and/or for further investigation, if appropriate).

1. Adding/Updating CMS Records Timely and Electronic Requests and Referrals for COB Contractor Update of CMS Records (Activity Code 22001)

Instruction: CR 1163, Transmittal AB-00-107, dated November 9, 2000.

Note: *Adding "I" auxiliary records to CWF to process a claim for secondary payment should be reported for under Activity Code 22001.*

2. Electronic Requests and Referrals to the COB Contractor for MSP and Claims Issues (Activity Code 22001)

Instruction: CR 1163, Transmittal AB-00-107, dated November 9, 2000.

Note: *ECRS entries that are claims related should be reported under Activity Code 22001.*

3. Electronic Requests and Referrals to the COB Contractor for Liability, No-Fault, and Workers' Compensation Cases (Activity Code 22001)

Instruction: CR 1163, Transmittal AB-00-107, dated November 9, 2000 and CR 1558, Transmittal AB-01-25, dated February 7, 2001.

Note: ECRS entries that are postpay activities should not be reported under Activity Code 22001.

4. **MSP Hospital Audits (Activity Code 22005)**

Instruction: MIM 3693

Note: This includes all on-site audits, such as hospital audits, and subsequent audit reports.

5. **Electronic Requests and Referrals to the COB Contractor for MSP Record deletions (and/or for further investigation, if appropriate). (Activity code 22001)**

Instruction: CR 1163, Transmittal AB-00-107, dated November 9, 2000 and CR 1558, Transmittal AB-01-25, dated February 7, 2001.

Workload Definition--Code 22001

Prepayment claims workload is all activities on claims on which you take some MSP action before the claim is paid. This would also include ECRS access and transmission.

Note: No workload or costs associated to initial claims entry should be charged to the MSP Activity Code 22001. Bill payment activities must be reported to the Program Management Activity Code 11001.

MSP POST-PAY ACTIVITIES (ACTIVITY CODES 22002, 22003, 22004 and 22006)

The following MSP post-pay activities are REVISED areas of focus for FY 2002. ALL OF THESE ACTIVITIES ARE MANDATORY AND SHOULD BE COMPLETED IN THE LISTED ORDER.

1. Continue the identification of MSP debt to be written off (CR #1280).
2. Refer eligible debt as detailed in the Debt Collection Improvement Act of 1996 (DCIA). DCIA directives will be given to encompass all types of MSP debt in FY 2002 (e.g. Bene Liability debt, etc).
3. Pursue the identification, recovery and resolution of Medicare mistaken payments as it relates to Liability, No-Fault, Workers Compensation, 42 CFR 411.25 notices and voluntary/unsolicited refunds. This would include the issuance of the response letters. *(See narrative for clarification.)*
4. Address and resolve all incoming correspondence or communications specific to **established** Group Health Plan (GHP) debts. No new demands will be issued for Data match or non-Data match unless funding is available.
5. Comply with all directives specific to financial reporting and ensure documentation is available to support reported figures.
6. Outreach efforts should be limited to attorneys and insurers only.
7. Efforts to respond to special project requests will be funded within a Supplemental Budget Request document.

1. **Continue Identification of MSP Debt to be Written Off Closed (CR #1280) – Activity Codes 22002, 22003**

See PM AB-01-24. Since this will be an ongoing activity, the initial “catch up” of these recommendations for write-off should be completed by 12/30/01.

2. **Refer Eligible Debt as Detailed in the Debt Collection Improvement Act of 1996 (DCIA) Directives – Activity Code 22002 and 22004**

Implement the DCIA PM specific to the identification and referral of debt meeting required criteria. Additional directives will be given to address debt not referenced in PM AB-01-83 (e.g., Bene debt) and will be effective January 1, 2002. By the end of the FY 2002, 100% of eligible MSP debt should be referred, understanding this will be a continual process.

3. **Pursue the Identification, Recovery and Resolution of Medicare Mistaken Payments Specific to Liability, No-fault, Workers Compensation, 42CFR411.25 Notices and Voluntary/Unsolicited Refunds – Activity Code 22002**

Liability, No-Fault, Workers= Compensation, 42CFR411.25 Notices and Voluntary/Unsolicited Refunds:

Contractors are reminded that they must coordinate with the COB contractor to develop further and pursue recovery whenever they receive information that a beneficiary, provider, physician, or other supplier is pursuing a claim against workers compensation insurance, no-fault insurance or liability insurance. In recovery situations, contractors must comply with the lead contractor (if they are not the lead contractor), in all instances, regardless of the amount the non-lead contractor has at issue. There are no development or recovery tolerances in these instances.

Note: See Attachment for an updated listing of Lead Contractors for each state and designated lead contractors for certain cases.

CMS may continue to designate a specific lead contractor for a particular group or class of recoveries (for example, as CMS has done for certain product liability recoveries) along with allocate additional funding once the workload becomes known.

The responsibility of a lead contractor for Federal Tort Collections Act (FTCA) cases will be to identify Medicare's recovery claim amount and to coordinate/facilitate communications with other intermediaries and carriers, as required by CMS Central Office (CO). For FTCA cases, the lead contractor will be the same as the lead contractor would be for a liability or no-fault case. Please note that although a lead contractor is being designated for FTCA cases, these recoveries will continue to be under the specific direction of CMS CO staff.

If a group health plan specifically acknowledges that Medicare made a mistaken primary payment (42 CFR 411.25 notice) for a specific service and specifically acknowledges that it should have or did make a primary payment, recover the Medicare primary payment from the group health plan or the appropriate party (beneficiary, provider or supplier).

See CR #1163, CR #1558, CR #1244 and CR # 1142.

Response letters/communications:

The response time for all MSP correspondence is 30 days from the date of receipt in the corporate mail room or any other mail center location absent instructions to the contrary for a particular activity.

Acknowledge correspondence when a debtor (or someone on behalf of the debtor) responds to a demand letter in a manner which does not resolve the debt in full (e.g., submits insufficient documentation for an alleged defense, submits only partial payment, submits and inappropriate defense, etc.) These responses should be sent within the time frames given for any normal correspondence or time frames for a specific project if they differ.

4. **Address and Respond to All Incoming Correspondence or Communications Specific to Established GHP Debts – Activity Codes 22002 and 22004**

Contractors should comply with the timeframes given to MSP correspondence as stated above. In addition, the contractor is to update MPaRTS within 10 calendar days from completion of evaluation or within 30 calendar days from receipt of information, whichever is less.

5. **Comply With All Directives Specific to Financial Reporting (M750/751 and MC750/751) - Activity Codes 22002 and 22003**

Effective October 1, 2001, MSP debt should be identified and recommended for write off Currently Not Collectable (CNC). Upon RO approval MSP CNC debts are to be tracked on a MC750/751 report. Standard systems changes are to be released in October 2001 to accommodate line item reporting as specified in the PM for both M750/751 and MC750/751 reports.

6. **Outreach Efforts are to be Focused on Attorneys and Insurers Only – Activity Code 22006**

All outreach materials should have RO approval. This is to ensure consistency and accuracy of content.

7. **Efforts to Respond to Special Project Requests Will be Funded Within a Supplemental Budget Request (SBR) Document**

MSP litigation assistance and possible recoveries of Duplicate Primary Payments will be funded through the SBR process.

The following MSP post-pay activities should only be initiated if funding is available within your existing Notice of Budget Approval.

1. New demands for Data match and non-Data match.
2. Outreach efforts for providers, employers, and beneficiaries.

1. New Demands for Data Match and Non-Data Match – Activity Codes 22002, 2003 and 22004

In the event contractors complete the higher priority items listed above AND they have funding available, recoveries of GHP debts should be initiated. Contractors should search history with respect to services to an identified beneficiary that may have been mistakenly paid on or after October 1, 1998. Avenues for identifying potential mistaken payments may come from information on a claim form or through the COB contractor via ECRS. Due to the enactment of the Balanced Budget Act of 1997 (BBA 1997), for all services on or after August 5, 1997, Medicare has a minimum of 3 years to initiate recovery without regard to a plan's timely filing requirements.

If the history search identifies potential mistaken primary payments that equal or exceed \$1000, the contractor is obligated to seek recovery by sending a demand letter to the employer that sponsors or contributes to the group health plan. Prior to issuing a Data match demand the contractor must access CWF to confirm the validity of the debt. The recovery demand letter must be issued within 60 days from the date of a claim receipt or a trailer update (whichever is earlier), or from a Data match cycle tape. At this time, contractors are not to recover from the provider, unless the provider has received a duplicate primary payment from the group health plan and Medicare.

The contractor is to update MPaRTS within 10 calendar days from completion of evaluation or within 30 calendar days from receipt of information, whichever is less. MPaRTS is to be updated with a DS status code prior to a demand being mailed out.

2. Outreach Efforts for Providers, Employers, and Beneficiaries – Activity Code 22006

All outreach materials should have RO approval. This is to ensure consistency and accuracy of content.

Workloads

There have been no changes to the workload definitions given in the final BPRs.

Attachment A

**LEAD CONTRACTORS, BY STATE, FOR MSP LIABILITY RECOVERIES
Effective 1/8/01 (revised 5/18/2001, 3/15/2001, 2/27/2001)**

NOTE: The list set forth below applies except where CMS has designated a specific intermediary or carrier as the lead contractor or recoveries for a particular class or group of cases. See the end of this document for a current list of such designations.

Alabama 00010

Cahaba Government Benefit Administrators
MSP Division, PO Box 12647, Birmingham, AL 35202

Alaska 00430

Premiera Blue Cross
MSP, PO Box 2847, Seattle, WA 98111-2847

American Samoa 00454

United Government Services
MSP, PO Box 9140, Oxnard, CA 93101-9140

Arizona 00030

Blue Cross and Blue Shield of Arizona
MSP, PO Box 37700, Phoenix, AZ 85069-7700

Arkansas 00020

Arkansas Blue Cross and Blue Shield
Medicare Services, PO Box 1418, Little Rock, AR 72203

California 00454

United Government Services
MSP, PO Box 9140, Oxnard, CA 93031-9140

Colorado 52280

Mutual of Omaha Insurance Company
Medicare, PO Box 1602, Omaha, NE 68101

Connecticut 00308

Empire Blue Cross
Empire MSP Services, PO Box 4751, Syracuse, NY 13221-4751

LEAD CONTRACTORS, BY STATE, FOR MSP LIABILITY RECOVERIES-Continued

Delaware 00308

Empire Blue Cross and Blue Shield
Empire MSP Services, PO Box 4751, Syracuse, NY 13221-4751

District of Columbia 00190

Care First Blue Cross and Blue Shield of Maryland, Inc.
MSP, 1946 Greenspring Drive, Timonium, MD 21093-4141

Florida 00090

First Coast Service Options, Inc.
MSP, PO Box 44179, Jacksonville, FL 32231

Georgia 00101

Blue Cross Blue Shield of Georgia
MCR Division, PO Box 9048, Columbus, GA 31908-9048

Guam 00454

United Government Services
MSP, PO Box 9140, Oxnard, CA 93031-9140

Hawaii 00454

United Government Services
MSP, PO Box 9140, Oxnard, CA 93031-9140

Idaho 00350

Medicare Northwest
MSP, PO Box 8110, Portland, OR 97207-8110

Illinois 00131

Administar Federal
MSP, 225 N. Michigan Avenue, 22nd Floor, Chicago, IL 60681-2912

Iowa 52280

Mutual of Omaha Insurance Company
Medicare, PO Box 1602, Omaha, NE 68101

Kansas 52280

Mutual of Omaha Insurance Company
Medicare, PO Box 1602, Omaha, NE 68101

LEAD CONTRACTORS, BY STATE, FOR MSP LIABILITY RECOVERIES--Continued

Kentucky 00160

Administar Federal MSP
9901 Linn Station Road, PO Box 23711, Louisville, KY 40223

Louisiana 00230

Trispan Health Services
MSP, PO Box 23046, Jackson, MS 39225-3046

Maine 00180

Associated Hospital Service of Maine and Massachusetts
MSP, 2 Gannett Drive, South Portland, ME 04106

Maryland 00190

Care First of Maryland, Inc.
MSP, 1946 Greenspring Drive, Timonium, MD 21093-4141

Massachusetts 00180

Associated Hospital Service of Maine and Massachusetts
MSP, 1515 Hancock Street, Quincy, MA 02169-5228

Michigan 00452

United Government Services
MSP, 660 Plaza Drive, 18th Floor, Detroit, MI 48226

Minnesota 00320

Noridian Mutual Insurance Company
MSP, 4305 13th Avenue South, Fargo, ND 58103-3373

Mississippi 00230

Trispan Health Services
MSP, PO Box 23046, Jackson, MS 39225-3046

Missouri 52280

Mutual of Omaha Insurance Company
Medicare, PO Box 1602, Omaha, NE 68101

Montana 00250

Blue Cross and Blue Shield of Montana, Inc.
MSP, PO Box 5017, Great Falls, MT 59403

LEAD CONTRACTORS, BY STATE, FOR MSP LIABILITY RECOVERIES--Continued

Nebraska 52280

Mutual of Omaha Insurance Company
Medicare, PO Box 1602, Omaha, NE 68101

Nevada 52280

Mutual of Omaha Insurance Company
Medicare, PO Box 1602, Omaha, NE 68101

New Hampshire 00270

NH-VT Health Service to Anthem Health Plans of New Hampshire (Anthem of New Hampshire)
MSP, 3000 Goff Falls Road, Manchester, NH 03101

New Jersey 00390

Riverbend
MCR Division/730 Chestnut Street, Chattanooga, TN 37402

New Mexico 00400

TrailBlazer Health Enterprises, LLC
MSP, PO Box 9020, Denison, TX 75021

New York 00308

Empire Blue Cross and Blue Shield
MSP, PO Box 4751, Syracuse, NY 13221-4751

North Carolina 00310

Blue Cross and Blue Shield of North Carolina
MSP, PO Box 3824, Durham, NC 27702

North Dakota 00320

Noridian Mutual Insurance Company
MSP, 4305 13th Avenue South, Fargo ND, 58103-3373

Northern Marianna Islands San Francisco 00454

United Government Services
MSP, PO Box 9140, Oxnard, CA 93031-9140

Ohio 00332

Administar Federal
MCR Division/PO Box 145482, Cincinnati, OH 45250-5482

LEAD CONTRACTORS, BY STATE, FOR MSP LIABILITY RECOVERIES--Continued

Oklahoma 00340

Group Health Service of Oklahoma, Inc.
MCR Division/1215 S. Boulder, PO Box 3404, Tulsa, OK 74101

Oregon 00350

Medicare Northwest
MSP, PO Box 8110, Portland, OR 97207-8110

Pennsylvania 52280

Mutual of Omaha Insurance Company
Medicare, PO Box 1602, Omaha, NE 68101

Puerto Rico 57400, 00468

Cooperative de Seguros de Vida de Puerto Rico
MCR Division/PO Box 363428, San Juan, PR 00936-3428

Rhode Island 00370

Blue Cross and Blue Shield of Rhode Island
MCR Division/444 Westminster Street, Providence, RI 02903-3279

South Carolina 00380

Palmetto Government Benefits Administrators, LLC,
MCR Division/PO Box 100190, Columbia, SC 29202

South Dakota 52280

Mutual of Omaha Insurance Company
Medicare, PO Box 1602, Omaha, NE 68101

Tennessee 00390

Riverbend
MCR Division/730 Chestnut Street, Chattanooga, TN 37402

LEAD CONTRACTORS, BY STATE, FOR MSP LIABILITY RECOVERIES--Continued

Texas 00400

TrailBlazer Health Enterprises, LLC.
MSP, PO Box 9020, Denison, TX 75021

U.S. Virgin Islands 57400, 00468

Cooperative de Seguros de Vida de Puerto Rico
MCR Division, PO Box 363428, San Juan, PR 00936-3428

Utah 00350

Medicare Northwest
MSP, PO Box 8110, Portland , OR 97207-8110

Vermont 00270

Anthem Health Plans of New Hampshire
MSP, 3000 Goff Falls Road, Manchester, NH 03101

Virginia 00453

United Government Services
MSP, PO Box 12201, Roanoke, VA 24023-2201

Washington 00430

Premiera Blue Cross
MSP, PO Box 2847, Seattle WA 98111-2847

West Virginia 00453

United Government Services
MSP, PO Box 12201, Roanoke, VA 24023-2201

Wisconsin 00450

United Government Services
MCR Division/401 N. Michigan, PO Box 2019, Milwaukee, WI 53203

Wyoming 00460

Blue Cross and Blue Shield of Wyoming
MCR Division, 4000 House Avenue, PO Box 908, Cheyenne, WY 82003

LEAD CONTRACTORS, BY STATE, FOR MSP LIABILITY RECOVERIES--Continued

CMS designated lead contractors for specific groups/classes are recoveries are:

- Gel Implant recoveries: TrailBlazers and Alabama (See attached list for state by state responsibilities)
- Bone Screw recoveries: United Government Services, *United Government Services, MSP, PO Box 9140 Oxnard, CA 93031-9140* (formally known as BCC was originally the lead contractor for AcroMed settlement recoveries; now the lead for all bone screw recoveries.)
- “Diet Drugs” (Fen Phen, etc) recoveries: Cahaba Government Benefit Administrators *MSP Division, PO Box 12647, Birmingham, AL 35202*

